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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Assignee's Docket No.: 9794.00 )  
Group Art Unit: 3627 )  
Serial No.: 09/992,363 )  
Examiner: James McClellan )  
Filing Date: November 16, 2001 )  
Title: Metacommerce System )  
\_\_\_\_\_ )

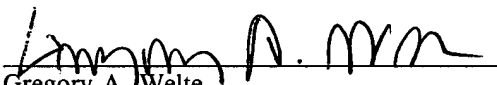
**APPEAL BRIEF**

**A Summary of Argument Begins on Page 4**

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**CERTIFICATE OF MAILING**

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Gregory A. Welte

**1. REAL PARTY IN INTEREST**

NCR Corporation.

**2. RELATED APPEALS AND INTERFERENCES**

None.

**3. STATUS OF CLAIMS**

Claims 1 - 31 are pending, rejected, and appealed.

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#### **4. STATUS OF AMENDMENTS**

No Amendments-after-Final have been submitted.

#### **5. SUMMARY OF INVENTION**

##### **Brief Summary**

The invention detects a customer entering a retail store, by detecting a transponder which the customer carries. The retail store then issues a reward to the customer, such as a discount, in return for entering the store.

##### **Detailed Summary**

The Specification, in the Summary of Invention, page 1, line 21 et seq., states:

In one form of the invention, the entry, departure, or both, of a customer from a retail establishment is detected.

Upon detection, a reward is given to the customer for the sole undertaking of entering the establishment.

The reward can be given by issuance of award "points," analogous to frequent-flyer miles.

The Specification, page 2, line 12 et seq. provides one embodiment by which this detection and award-issuance can be accomplished. A customer is equipped with a "client device 6" shown in Figure 1, which can take the form of a "smart card."

A detector 9 in Figure 1 detects the proximity of the client

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device 6 within a certain range 12. Upon detection, "points" or a discount are awarded to the customer. For example, the client device 6 may identify the customer to a department store. Upon identification, the store credits the account of the customer with a discount. Later, when the customer makes a purchase, the customer identifies himself, and the discount is effected.

As the Specification explains, page 5, in one form of the invention, no "social interaction" occurs between the customer and any other person. The award, or discount, is given solely by reason of the person's entering the establishment, and the entry is detected without human intervention.

## **6. ISSUES**

Whether claims 9 and 10 are correctly rejected under 35 USC § 101.

Whether claims 9, 10, 22, 23, and 28 are anticipated under 35 USC § 102, based on Hardesty.

Whether claims 1 - 8, 11, 13 - 21, 24, 26, and 29 - 31 are obvious under 35 USC § 103, based on Ogasawara and Hardesty. (The Final Office Action, page 4, states that the rejection is based solely on Hardesty. However, that must be a mistake, because the discussion of the rejections relies on both Hardesty and Ogasawara.)

Whether claims 12, 25, and 27 are obvious under 35 USC § 103,

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based on Hardesty, Ogasawara, and Biffar.

## **7. GROUPING OF CLAIMS**

Three groups of claims are present, namely,

Group 1: claims 9, 10, 22, 23, and 28;

Group 2: claims 1 - 8, 11, 13 - 21, 24, 26, and 29 - 31;

and

Group 3: claims 12, 25, and 27.

No claims stand or fall together in any group, with the following exceptions:

In Group 1, claims 10 and 23 stand or fall with their respective parents.

In Group 2, all claims stand or fall together, with the exception of claims 11, 14, 19, 22, and 24, which do not.

In Group 3, all claims stand or fall together.

## **8. ARGUMENT**

### **SUMMARY OF ARGUMENT**

#### **Faulty Reference**

All rejections rely on a Hardesty reference. However, that reference is a published US patent application, with a publication date subsequent to Appellant's filing date. Hardesty cannot be used as a reference.

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### **Anticipation Rejections of Group 1**

Claim 9 recites "detecting entry of the customer through a portal" and then increasing a score of bonus points for the customer. The PTO reads that on a process in Hardesty wherein a customer visits a web site, and supposedly is granted an award for so doing. However, several problems exist in this reading.

#### Problem 1

The Specification discusses an actual customer passing through a physical portal, such as a door. The PTO is reading the claim language fancifully, and then applying the language to a person visiting a web site.

Claim are not read fancifully. When a person visits a web site, no actual person travels through the telephone wires, and no actual person enters the computer containing the data which generates the web pages.

Claims are not read in a fanciful manner.

Stated another way, numerous words have multiple meanings. For example, the word "box" can mean

- 1) to engage in the art of fisticuffs,
- or
- 2) to enclosed in a cardboard container.

The meaning consistent with the Specification must be used. MPEP § 2173.05(a) (set forth herein) requires this.

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#### Problem 2

Even if the claim language covers visiting a web site (which is not so), claim 9(c) is not found in Hardesty. The PTO relies on Hardesty, paragraph 0007.

However, that paragraph states that when customers make purchases, they are awarded "loyalty points." The "points" act as an inducement for the customers to

- 1) "purchase specific goods and services"
- or
- 2) " 'visit' certain web sites."

The PTO is interpreting paragraph 0007 backward. The paragraph states that points are issued as a reward for a purchase, and the points induce customers to visit web sites (or make other purchases).

The paragraph **does not state** that points are issued as a reward for visiting web sites.

Thus, claim 9(c) is not found in Hardesty.

The preceding applies to the other claims in this Group.

#### **Obviousness Rejections of Group 2**

##### Problem 1

Hardesty was combined with Ogasawara. However, no teaching for the combination was given. In all cases, the rationale given

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is of the following type: an incentive for a customer to visit a store attracts the customer to the store, and makes it likely that the customer will make a purchase.

However, that rationale is merely an invocation of a basic principle of marketing. That rationale does not show the **claimed approaches** which utilize that basic principle. For example, a shop owner may toss money into the street to lure customers into the shop. That is consistent with the principle. The PTO must show how the principle leads to the claims, as opposed to this money-tossing example.

#### Problem 2

Most claims in this group state that bonus points are awarded **in absence of a transaction** (or similar). That is directly contrary to **both** references.

-- Ogasawara states that awards are given in connection with a purchase.

-- Hardesty makes a similar statement.

(Paragraph 0007).

Thus, the absence-of-transaction recitation is absent from the references, even if combined. Consequently, the claims have not been shown in the prior art.

Further, the references are contrary to the claims on the issue of absence-of-transaction, and thus teach away from the

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invention.

Problem 3

Claims 14 - 26 are apparatus claims. Every claim contains a recitation similar to this:

means for detecting entry of a person through  
a portal.

This is a "means-type" recitation. Under section 112, it is deemed to cover the

. . . corresponding structure, material, or  
acts described in the specification and  
equivalents thereof.

The PTO reads this type of "means" onto a web-site-visit, wherein an Internet surfer is supposedly identified.

However, there is no "corresponding structure etc." in Appellant's Specification which shows identifying visitors to a web site. Nor is there an equivalent.

Thus, the PTO cannot read the "means" recitations of this type onto Hardesty's web-site-visits.

Stated another way, the PTO gives the "means" recitations a fanciful interpretation, and reads them onto a web-site-visit. However, section 112, cited in part above, precludes this interpretation.



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Section 112 explicitly states that such a recitation **only covers** "corresponding structure . . . described in the specification and equivalents." Thus, section 112 indicates that a "means" recitation is not even given a **literal** interpretation, let alone a **fanciful** one.

Hardesty's web-site-visit is not "corresponding" to the claimed "means," nor is it an "equivalent." The claimed "means" cannot read on Hardesty.

This also applies to "means" recitations which are read on Ogasawara.

#### Comment

Not all points made in this Summary are elaborated below. Some are considered self-explanatory.

**End Summary**

#### **Argument**

**RESPONSE TO REJECTION OF CLAIMS IN GROUP 1, NAMELY,  
CLAIMS 9, 10, 22, 23, AND 28**

#### **General Response**

These claims were rejected on grounds of anticipation, based on Hardesty. However, several problems exist in this rejection.

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Problem 1

Hardesty is not a U.S. patent, but a published patent application. The publication date of Hardesty is April 24, 2003. Appellant's filing date precedes that publication date, since Applicant's filing date is in 2001. Thus, Hardesty is not available as prior art.

Problem 2

All claims in this group, speaking generally, state that an award is granted "in response to" the entry of the customer. For example, the customer walks through a door of a shop, and thereby makes an entry. That, by itself, induces the award.

The passage cited in Hardesty by the PTO (ie, Hardesty's paragraph 0007) in support of the rejection merely refers to

. . . incentives to consumers to purchase  
specific goods and services or to "visit"  
certain web sites.

However, that passage clearly indicates that the incentives were granted **in advance** of the customer's purchase, or visit to the web site.

That is, Hardesty offers an award to **induce** the customer to "purchase specific goods and services" or to "'visit' certain web sites." Hardesty **does not** offer an award **in response to** the customer's arrival at the shop, as claimed.

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Stated more simply, Hardesty wants to induce the customer to **do something in the future**. In contrast, the claimed invention **thanks** the customer for **something already done**, namely, visiting a store.

### Problem 3

#### POINT 1

The PTO is not reading Appellant's claims **literally**, but **metaphorically**. For example, if you say, "I died laughing," that is a metaphor. You did not really die.

The Hardesty passage does not actually show the claims, even if the claims are read metaphorically. (Metaphorical reading is further explained below.)

The Hardesty passage (ie, his paragraph 0007) discusses incentives for customers to

- 1) make certain purchases
- or
- 2) visit certain web sites.

But none of the claims in this section recite that. The claims recite, speaking generally, granting bonuses when a customer enters a store.

Stated another way, the claims recite **rewarding PAST behavior**. Hardesty wants to **influence FUTURE behavior**. Those are different approaches.

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POINT 2

The PTO is arguing the following:

-- Hardesty states that, when a person visits a web site, that person is granted a bonus. (This is actually false: the bonus is granted **prior to the visit.**)

-- Claim language such as

- a) maintaining a score of bonus points for a customer;
- b) detecting entry of the customer through a portal; and
- c) in response to the entry, increasing the score,

when read metaphorically, reads on Hardesty's bonus grant.

However, Hardesty does not state that a bonus is granted in return for visiting a web site. He states the opposite: the bonus is granted **as an incentive** to visit the web site **in the future**.

Hardesty does not state that a bonus is granted in return for visiting a web site.

Thus, even if visiting a web site is viewed as entering a "portal" as in claim 9, no bonus is granted in Hardesty for such a visit.

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Problem 4

The Hardesty-passage (quoted above) refers to incentives to "visit" web sites (or make purchases). As just explained, Hardesty does not issue a bonus in return for visiting a web site. But even if he did, the claim language does not read on that.

Claim 22(b) recites "means for detecting entry of the customer through a portal." The other claims in this group contain a similar recitation.

The claim language does not read onto the subject matter of Hardesty. "Detecting entry of the customer through a portal" does not read on a process of detecting when a customer logs into a web site. Even if Hardesty shows such detection, the claim language does not read on that.

Claims are not read metaphorically. Any detection of logging into a web site in Hardesty does not qualify as the claimed "Detecting entry of the customer through a portal." In Hardesty, no "customer" actually makes "entry" "through a portal."

A person in Hardesty who visits a web site does no more than the computer-equivalent of making a telephone call. When you call someone on the telephone, you do not make "entry" into that person's house, and nobody thinks that you do. The same applies to Hardesty.

It is often said that, when a customer logs into a web site, the customer "enters" the web site. However, that is metaphoric

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usage. No actual "entry" exists.

Restated, "entering a web site" is a figure-of-speech. No customer actually **enters** the web site. That would be impossible.

How could the physical body of the customer  
pass through telephone wires ?

How could the physical body of the customer  
enter the computer-servers which form the web  
site ?

Further, the only content in the cited passage of Hardesty which is remotely close to the claims in question is the visitation of web sites. (The other content refers to purchases of goods and services, which is not relevant.) Even if the claim language is treated as reading on "visiting" web sites, the claimed cause-effect relationship is absent.

That is, the claims state that awards are granted **in response** to the "entry." "Entry" is the cause. Hardesty does not state that awards are granted **in response** to "visits." Rather, he implies the opposite: incentives are given to make the "visit" in the first place.

#### Problem 5

Appellant points out that, as a technical matter, a "web site" has no specific geographic locus. For example, the only place where tangible, visible indications of a web site exist are the

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computer screens of the persons who visit the web site. There are no visible indications of the web site anywhere else.

Therefore, the question arises: where is the "web site" actually located? Appellant submits that the answer is this: no answer exists. The web site is a virtual entity, having no locus.

Consequently, any "entry" of a person to a web site is a metaphorical entry, or use of the term "entry" in a fanciful sense.

Claims are not read metaphorically, or in a fanciful sense.

#### Problem 6

The passage in Hardesty (paragraph 0007) expressly states that he is talking about "visits" in the cyber world. He states:

. . . Like their **counterparts** in the brick and mortar world, these programs offer incentives that are essentially limited to discounts [etc.]

Thus, Hardesty expressly states that he is not talking about actual visits. (Notice that, in paragraph [0007] he places the word "visit" in quotations, thereby indicating a fanciful use of the term.)

#### Additional Point 1

It is often said that claim language is given the broadest possible construction. That statement is not correct.

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MPEP § 2173.05(a) states:

During patent examination, the pending claims must be given the broadest reasonable interpretation **consistent with the specification.**

Thus, terms such as "entry of the customer through a portal" as in claim 9 must be given a meaning consistent with the Specification. They cannot be given a fanciful, metaphoric meaning, and then applied to a reference.

#### Additional Point 2

The PTO's reading of the claims is inconsistent with the law of overbreadth. It is axiomatic that, for a reference to **anticipate** a claim, then the reference must **infringe** the claim.

However, Applicant's Specification has no support for identifying a visitor to a web site. Thus, the breadth of the claims in question, for infringement purposes, cannot extend to such identification. One reason is that the claims only extend to subject matter for which they are enabled (plus equivalents).

Therefore, the visiting-web-site subject matter does not **infringe** the claims. Consequently, that subject matter does not **anticipate** the claims.



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#### Additional Point 3

Numerous words in the English language have more than one meaning. Applicant has no control over that.

For example, "box" means (1) to engage in the art of fisticuffs and (2) to enclose in a cardboard package.

Similarly, "portal" can mean (1) a physical door and (2) an entry point into a computer network.

The meaning which corresponds to the Specification must be used.

#### Additional Point 4

In general, as explained in greater detail below, a web site does not identify a person when the person visits the web site.

It is true that persons may disclose their identities to a web site, and the web site may place a "cookie" in the person's computer. When the computer later visits the web site again, the web site retrieves the cookie, and learns a person's name.

For example, when the undersigned attorney logs into "Amazon.com" to purchase a book, the opening web page of Amazon reads "Hello, Gregory Welte," or similar. That greeting is enabled by the cookie.

However, Hardesty does not discuss identifying visitors to web sites. Thus, there is no way for Hardesty to issue bonus points to the visitor, as the PTO suggests.

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## Response to Individual Rejections

### Claim 9

Claim 9 recites:

9. A method, comprising:

- a) maintaining a score of bonus points for a customer;
- b) detecting entry of the customer through a portal; and
- c) in response to the entry, increasing the score.

#### POINT 1

As explained above, claim 9(b) and (c) are not found in Hardesty. At best, Hardesty detects entry of a customer to a **web site**. That is not "detecting entry . . . through a portal" as in claim 9(b).

But, even if Hardesty detects a customer logging into a web site, Hardesty does not grant a bonus in response to that. He previously granted a bonus, as an incentive for the customer to log into the web site. Claim 9 does not recite that. Claim 9 recites granting an award in response to entry through a portal.

#### POINT 2

The term "portal" is used in computer jargon. A "portal" can

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refer to a connection point between one network and another. For example, a company may have an internal network. A "portal" may exist which connects that internal network with the Internet, which is external.

However, even in that sense, claim 9(b) is not found in the Hardesty. Hardesty's web site is not a "portal."

The cited passage in Hardesty does not show a "portal," as that term is used in computer jargon.

#### POINT 3

Even if Hardesty's web site is considered a "portal" in computer jargon, claim 9(b) is still not found in Hardesty.

The primary reason is that reading claim 9(b) onto the activity of a person logging into Hardesty's web site amounts to re-defining the terms of claim 9(b). Such a reading re-defines the claim language into **metaphorical**, or fanciful, terms.

Claims are not interpreted metaphorically. Claims are interpreted literally, consistent with the Specification.

#### POINT 4

This is a continuation of POINT 3.

We must look at what actually happens in Hardesty, when an average person visits a web site.

-- The person establishes a connection with

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an ISP, Internet Service Provider. The ISP maintains a connection with the Internet.

-- The person specifies a web site to the ISP, such as [www.uspto.gov](http://www.uspto.gov), which the person wants to visit. The phrase ending in "gov" is called a URL, Uniform Resource Locator.

-- The ISP assigns an ID number to the person. The number is needed because the ISP handles numerous persons using the Internet at any given time. When the ISP contacts the web site indicated by the URL, the ISP tells the web site to include the ID number with each data packet which the web site returns, so that the ISP knows which person should receive the packets.

The ISP also transmits a request to the web site, asking the web site to transmit the web page identified by the URL.

-- The web site receives the request, finds the web page, transmits the web page, and includes the person's ID number.

-- The ISP receives the web page and, based on the person's ID number, routes the web page to the correct person.

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That sequence of actions is sometimes called "visiting a web site." But that usage is fanciful, or metaphorical.

- There is no actual "site."
- No person actually travels to the (non-existent) site.
- There is no actual "portal."
- No actual person travels through any actual "portal."

As another example, statutes exist which prohibit murder. If a comedian tells a joke, and somebody says, "I died laughing," nobody prosecutes the comedian for murder. "Died laughing" is metaphorical, fanciful usage.

Claim language is not interpreted metaphorically.

#### Claim 10

Claim 10 is considered patentable, based on its parent.

#### Claim 22

The preceding applies to claim 22.

Claim 22 is considered "separately patentable" for purposes of 37 CFR because claim 22 is an apparatus claim, and claim 9 is a method claim. Method claims are separately patentable from apparatus claims, as the PTO's restriction practice attests.

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Claim 28

Claim 28 recites:

28. Method according to claim 9, wherein increasing the score is done without detecting a purchase by the customer.

A reading of the passage cited in Hardesty (paragraph 0007) indicates that Hardesty grants awards **in response to** purchases. That is contrary to claim 28.

That is, the paragraph in Hardesty contains three sentences. They must be read together. The last sentence indicates that Hardesty is discussing awards of the type known as "airline miles." Such awards are granted **in response to** purchases.

The first sentence does discuss an "incentive" "to visit certain web sites." But that is stated as one of two alternative incentives. The other is "incentives to consumers to purchase specific goods and services." And Hardesty states that both types of incentive are part of "loyalty and reward programs."

Such programs involve awards granted **in response to purchases**, to induce further purchases in the future. That is contrary to claim 28.

**RESPONSE TO REJECTION OF CLAIMS IN GROUP 2, NAMELY,  
CLAIMS 1 - 8, 11, 13 - 21, 24, 26, AND 29 - 31**

The claims identified above were rejected as obvious, based

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on Hardesty and Ogasawara. As discussed above, Hardesty is not available as a reference because of his publication date.

#### **Ogasawara Reference**

Ogasawara discusses a system wherein a customer carries an ID card which transmits a customer ID number to a receiver located at the entrance of a retail store. (Column 3, lines 54 - 65; column 6, lines 36 - 43; column 8, lines 55 - 62.) Equipment takes a video photo of the customer. (Column 6, line 45; column 9, lines 11 - 17.)

Once the customer is identified, a demographic profile of the customer is retrieved from storage. That profile contains information about the customer which would be of interest to clerks in the retail store, and includes information about previous purchases, including loyalty points. (Column 6, line 55 et seq.; column 7, line 33 et seq.)

This profile can be either (1) stored in the customer's ID card and transmitted to a receiver operated by the retail store or (2) stored in the retail store's central computer. (Column 7, lines 8 - 13.)

The profile, together with the customer's picture, is transmitted to several computers within the retail store, so that many clerks can obtain information about the newly arrived customer. (Column 9, lines 33 - 50.)

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Ogasawara, at column 17, lines 23 - 37, seems to provide a good summary of his system.

However, one thing seems clear. Ogasawara does not alter the demographic profile, or add bonus points, when a customer is detected as entering the retail store. For example, he states that the profile is updated "**Once a transaction is completed.**" (Column 7, line 56 et seq.)

An ambiguous passage in Ogasawara will be addressed. Ogasawara states, in column 8, lines 9 - 12:

Customer loyalty is promoted and enhanced by providing an effective means for immediately allocating incentive award points, store coupons, and the like, **towards a particular purchase.**

However, this statement is unclear. Perhaps the reason is the use of the phrase "towards a particular purchase." It would appear that he actually means "**because of** a particular purchase." That is, the coupons and points are awarded **after** a particular purchase is made. The purchase in question appears to be that immediately preceding the passage, and identified at column 8, line 8.

This interpretation is consistent with Ogasawara's discussion in the immediately preceding paragraph (ie, column 7, line 49 - column 8, line 3.)

The conclusion that Ogasawara is talking about an award made **after** a purchase is made is consistent with the fact that Ogasawara



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provides no explanation of how award points would be issued to an entering customer **prior to** a purchase.

-- Do sales clerks approach the customer and hand him paper coupons ?

-- Does the store add bonus points to the customer's card ? If so, then how do they do it ? Do they increase the points stored in the card. Or do they modify the profile stored in the central computer ? Ogasawara does not say.

Applicant submits that the passage in question, and any others like it, refer to immediately updating the demographic file of the customer, but **after** a new transaction occurs. They do not refer to awarding bonus points for merely entering a store.

#### Claim 1

Claim 1 recites:

1. A method, comprising:

a) at a portal to an enclosure, receiving an identity signal from a transponder;

b) locating an account, based on the identity signal;

and

c) creating a change in the account, prior to any purchase by a party identified by the

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identity signal.

#### Summary of Response

Even if the references are combined, claim 1(c) is not found. Hardesty is used to show claim 1(c). As explained above, Hardesty does not award bonus points **prior to** a purchase.

#### Point 1

The Final Action asserts that Ogasawara shows all of claim 1, except paragraph (c), and that Hardesty shows paragraph (c).

However, Appellant respectfully points out that the PTO is combining apples with oranges.

-- Claim 1(c) recites a change in **THE account**.

-- Under the terms of claim 1, "the account" is that located "using the identity signal."

-- But such an account, nor any similar account, does not exist in Hardesty.

-- Thus, it makes no sense to assert that Hardesty can show the operations of claim 1(c), which involve a change in a **specific** account.

From another point of view, Hardesty has no way of ascertaining "the account" of claim 1. The reason is that Hardesty

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does not perform the actions of claim 1(a) and (b).

Point 2

The combination of references is contrary to Hardesty's **express teaching**. The PTO relies on paragraph 0007 of Hardesty. That paragraph suggests issuing a bonus when a person makes a purchase, to induce the person to do one of two things **in the future**:

- 1) "purchase specific goods and services"
- or
- 2) visit a web site.

That is, Hardesty's goal is to induce certain behavior **in the future**.

However, under the PTO's reasoning, when a customer walks into Ogasawara's store, the customer has fulfilled the goal of Hardesty.

Thus, there is no reason to combine Hardesty's teachings with Ogasawara. Hardesty's goal has been fulfilled.

Stated more simply, assume Reference 1 teaches "my purpose is to attain goal A." If Reference 2 attains goal A, and then performs other actions, then, in general, there is no reason to apply Reference 1 to those other actions.

That is simply common sense.

Of course, exceptions may exist, but Appellant submits that the burden is on the PTO to overcome this common-sense analysis.

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From another point of view, the references have contradictory philosophies. Hardesty seeks to attain a goal: inducing customers to enter a virtual store. Ogasawara sees the goal as already existing, because customers already enter his store. Ogasawara has no need of seeking Hardesty's goal.

### Point 3

The MPEP requires that the PTO show a "reasonable expectation of success" in the combination of references. MPEP § 706.02(j) states:

Contents of a 35 U.S.C. 103 Rejection

. . . .

To establish a prima facie case of obviousness, three basic criteria must be met.

. . . .

Second, there must be a reasonable expectation of success.

### Sub-Point 3A

Appellant first points out that the combination of references is ambiguous. Is Hardesty's award of a bonus for a purchase **added** to Ogasawara's bonus, or is Hardesty's award **substituted for** Ogasawara's awards ?

Since the PTO has not specified how Hardesty is combined with

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Ogasawara, the PTO has not shown an expectation of success. That is, since it is not known what the actual combination of references **does**, there can be no evaluation of whether any expectation of success is present.

Sub-Point 3B

The PTO interprets Hardesty's paragraph 0007 as granting a bonus in return for logging into a web site on the Internet. (Appellant showed that this interpretation is incorrect.) But Ogasawara seems to discuss no Internet involvement at all. All interaction with customers in Ogasawara appears to occur within Ogasawara's store.

Why would Ogasawara require his customers to log into a web site, to obtain bonuses, as Hardesty is interpreted ? That is, what "success" is "expected" by this requirement, in terms of MPEP § 706.02(j) ?

Appellant submits that no expectation of success has been shown in the combination of references, as required by the MPEP.

**Claim 11**

Claim 11 recites:

11. Method, comprising:

a) at a portal to an enclosure, receiving an identity signal from a transponder associated

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with a person; and

b) in response to the identify signal, transmitting a message to a location which is accessible by the person.

Point 1

Appellant submits that the rejection is defective, as a technical matter. MPEP § 2143.03 states:

To establish prima facie obviousness . . . **all the claim limitations** must be taught or suggested by the prior art.

The only discussion in the Final Office Action which attempts to show claim 11 in the references is this:

Regarding claims 11 and 13, Ogasawara fails to explicitly disclose transmitting a message to a location in response to the identity signal.

Hardesty teaches awarding an incentive in response to the identity signal of a user, when the user merely "visits" the retail store (in this case electronically, see paragraph 0007) and further teaches sending a message to the person and a third party which results in modification a monetary account of the person (see paragraph 0046).

(Final Action, page 5 sixth and seventh paragraphs.)

That discussion fails to identify the individual claim elements of claims 11 and 13 in the references, as will now be shown.

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Point 2

Nothing in this discussion shows claim 11(a), which is repeated here:

a) at a portal to an enclosure, receiving an identity signal from a transponder associated with a person.

Appellant asks:

- Where is the claimed "transponder associated with a person" ?
- Where is the claimed "identity signal" received "from" that "transponder" ?
- Where are the claimed "portal" and the "enclosure" ?

Claim 11(a) has not been shown in the applied references, as required by the MPEP section cited above.

In Appellant's previous Amendment, mailed January 6, 2004, Appellant stated:

Claim 11(a) recites a "transponder." Applicant cannot locate a transponder in Hardesty, and requests, under 37 CFR §§ 1.104(c)(2) and 35 U.S.C. § 132, that the PTO specifically identify the transponder.

Appellant can locate no identification in the Final Action. The MPEP section cited above requires that all claim elements be

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shown in the prior art. That has not been done.

Point 3

Appellant repeats that claim 11(a) cannot be read metaphorically. The language of claim 11(a) does not cover visiting a web site. The claim must be read consistently with the Specification.

Point 4

Appellant points out that it is well known that, when you visit a web site, the web site does not know your identity. Here is basically what happens.

Say you did a Google search, and obtain a list of web sites. You click on one of them. That causes your computer to send a message to your Internet Service Provider, ISP, which, in effect, says "Get me that web page."

Your ISP then contacts that web page. But your ISP does not identify you to the web page. Instead, it keeps a record of who requested that web page (ie, you). When the web page arrives at your ISP, it looks at the record to find the requestor (you), and transmits the web page to you.

But the web site does not know your identity.

Of course, many web sites try to learn the identities of visitors. For example, if you order a product from a web site,



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you will identify yourself. The web site may then place a "cookie" in your computer. When you visit the web site next, it will read the cookie, and learn your identity, if you did not remove the cookie.

But, in the general case, a visitor to a web site is not identified by the web site. And, certainly, a first-time visitor is not known, because there is no way for the web site to make the identification. Further, Hardesty does not discuss the use of identifying cookies, as just described.

Therefore, the "identity signal" of claim 11(a) has not been shown in Hardesty.

#### Point 5

Even under the PTO's interpretation, claim 11(a) and (b) are not found in Hardesty. The reason is that the claim states that 11(b) is undertaken "in response to" 11(a).

In Hardesty, the actions of paragraph 0046 (supposedly showing claim 11(b)) are not taken "in response to" anything in paragraph 0007. One reason is that paragraph 0046 discusses depositing rebates into an account. That is done in connection with credit card transactions.

Under the PTO's own interpretation of Hardesty, his paragraph 0007 refers to events **prior to** any transaction.

Thus, Hardesty's paragraph 00046 cannot be done "in response

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to" anything in paragraph 0007, by the PTO's own interpretation.

Point 6

Hardesty's paragraph 0046 clearly refers to a "rebate" or award made in connection with a "transaction" (or purchase). No purchase is recited in claim 11.

In claim 11, the award is made in response to detection of the identity signal at the portal.

The PTO is asserting that Hardesty's "rebate" (made in response to a customer transaction) should be made when Ogasawara detects a customer entering a store. But that re-designs both references, contrary to the references' teachings.

Further, as explained above, both references give the awards in response to purchases. That is contrary to claim 11.

Point 7

It is possible that the Office Action made a mistake, and is asserting that the identification process of Ogasawara shows claim 11. However, any "message" in Ogasawara is not "accessible by the person" as claimed. Ogasawara transmits a file concerning the person to clerks in the store. The "person" does not gain access to that file.

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### Interim Conclusion

Claim 11(a) and (b) are not found in Hardesty. Thus, there is no relevance of Hardesty to the claims.

### Combination of Hardesty with Ogasawara

The rationale (Final Action, page 6, top) for combining the two references is that providing an incentive attracts customers to a store, thereby "increasing the likelihood that the person will make a purchase."

However, several problems exist in this rationale.

#### PROBLEM 1

No logical connection between the rationale and claim 11 has been shown. A reductio ad absurdum will illustrate this.

A store owner could place 20-dollar bills at hidden locations in his store. Customers would figure this out, and flock to the store.

The 20-dollar bills are the "incentive" in the PTO's rationale. The "incentive" attracts customers. The customers will probably make purchases.

But claim 11 does not recite that.

The PTO has failed to show how its rationale leads to claim 11.

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## PROBLEM 2

The PTO asserts that Hardesty shows an identity signal of a user. That is not correct. Appellant requests that the identity signal be identified.

Further, the mere presence of an identity signal is insufficient. Claim 11(a) states that the identity signal is produced "from a transponder associated with a person." That has not been shown in Hardesty.

## Claim 24

The preceding discussion of claim 11 applies to claim 24. Further, claim 24 is an apparatus claim. Under the Grouping-of-Claims rule applied to Appeal Briefs, apparatus claims are separately patentable from method claims. The PTO's restriction practice confirms this. Therefore, claim 24 is separately patentable.

In addition, claim 24 recites two "means." Section 112 states:

An element in a claim for a combination may be expressed as a means . . . for performing a specified function without the recital of structure, material, or acts in support thereof,

and

such claim shall be construed to cover the corresponding structure, material, or acts

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described in the specification and equivalents thereof.

The Office Action has not identified, in the references, any "corresponding structure" or "equivalents" to the components described in Appellant's Specification.

For example, the Office Action, page 5, second-to-last paragraph, states that Hardesty's visit-to-a-web-site shows claim 11(a). The Office Action, page 6, first full paragraph, states that this "visit" also shows claim 24.

However, nothing in Appellant's Specification which corresponds to the claimed "means for receiving an identity signal from a transponder associated with a person at a portal to an enclosure" can be construed as a web site, or visit to a web site, nor equivalent to either.

Thus, under section 112, claim 24(a) has not been shown in the references.

#### **Claim 14**

The "means" discussion applies to claim 14, which states:

a) means for receiving an identity signal from a transponder at a portal to an enclosure.

Nothing which corresponds to any "structure" etc. in Appellant's Specification has been shown in the references, which qualifies as

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the claimed "means." Thus, the claimed "means" is not present in the applied references.

#### **Claim 19**

The "means" discussion applies to claim 19, which states:

- a) means for receiving an identity signal from a transponder carried by a person at a portal to an enclosure.

Nothing which corresponds to any "structure" etc. in Appellant's Specification has been shown in the references, which qualifies as the claimed "means." Thus, the claimed "means" is not present in the applied references.

#### **Claim 22**

The "means" discussion applies to claim 22, which states:

- b) means for detecting entry of the customer through a portal.

Nothing which corresponds to any "structure" etc. in Appellant's Specification has been shown in the references, which qualifies as the claimed "means." Thus, the claimed "means" is not present in the applied references.

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#### **Claim 24**

The "means" discussion applies to claim 24, which states:

- a) means for receiving an identity signal from a transponder associated with a person at a portal to an enclosure.

Nothing which corresponds to any "structure" etc. in Appellant's Specification has been shown in the references, which qualifies as the claimed "means." Thus, the claimed "means" is not present in the applied references.

#### **Claim 1**

Claim 1 recites:

- 1. A method, comprising:
  - a) at a portal to an enclosure, receiving an identity signal from a transponder;
  - b) locating an account, based on the identity signal;
  - and
  - c) creating a change in the account, prior to any purchase by a party identified by the identity signal.

#### **Claim Elements not Shown in Prior Art**

The Office Action relies on Ogasawara to show claim 1(a) and (b), and Hardesty to show claim 1(c). The Office Action asserts that Hardesty issues an incentive for a customer's merely visiting

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a web site. (Office Action, page 5, fourth paragraph.)

Appellant points out that, even if the PTO's characterization of Hardesty is correct, Hardesty does not show claim 1. Claim 1 does not recite visiting a web site.

Further, the PTO's characterization is incorrect. As explained above, Hardesty's paragraph 0007 refers to awards made in response to purchases. Claim 1(c) expressly states that the award is made "prior to any purchase."

Thus, claim 1(c) has not been shown in the references, even if combined.

#### No Teaching Given

The rationale given for combining the references is that an incentive given to a customer to visit a store will increase likelihood that the customer will make a purchase.

However, as explained above, that rationale is merely a truism of marketing strategy, and does not show the particular elements of claim 1.

Stated another way, the rationale is merely a generalized operating principle of business. No showing has been given as to how that principle should be placed into practice by claim 1.

Further, claim 1(c) states that no purchase is required for the award. The references are contrary to that. Contrary references cannot be combined.



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No Compliance with Dembiczak

The rationale does not follow the CAFC's decision of In re Dembiczak, 175 F. 3d 994, 50 USPQ2d 1614 (Fed. Cir. 1999).

In brief, Dembiczak states that

- **objective evidence** of a teaching for combining references must be provided;
- the Examiner's speculation does not qualify as objective evidence;
- numerous sources can provide a teaching to combine references;
- knowledge of one skilled in the art can act as a source;
- however, THE RANGE OF SOURCES AVAILABLE DOES NOT DIMINISH THE REQUIREMENT FOR ACTUAL EVIDENCE;
- broad conclusory statements by the Examiner do not qualify as evidence; and
- "particular factual findings" as to the teaching are required, and gives reasons why **facts** are necessary.

As explained above, the PTO's rationale is nothing more than an invocation of a basic principle of marketing.

That is not a teaching under Dembiczak.

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**Response to Rejection of Group 3: Claims 12, 25 and 27**

These claims were rejected as obvious, based on Ogasawara, Hardesty, and Biffar.

Each of these claims depends from a parent which was discussed in the previous section. Thus, they are considered patentable, based on the parents.

No valid teaching has been given for combining the references. The rationale given is that the e-mail message will allow users to keep track of awards.

However, that is not a teaching. That merely identifies a supposed characteristic of the combination, but **after** the combination is made. A teaching for making the combination in the first place is required.

Further, other approaches allow one to keep track of awards. For example, one can use pencil-and-paper. No showing has been given that the rationale leads to the **particular claimed approach** to keeping track.

Further still, this rationale fails to comply with the rules of obviousness. Under section 103, the subject matter of the claim **as a whole** must be obvious. The PTO has only asserted that (1) a parent claim is obvious, based on references O and H, and then (2) a dependant claim is obvious based on further reference B.

That does not show that the dependant claim **as a whole** is

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obvious.

From another point of view, the claim in question, in effect, contains element c. The parent claim contains elements a and b. The "as a whole" requirement requires that a, b, and c be shown to be obvious, in view of the references.

Stating that a and b are obvious in view of some references, and then that it is obvious to combine the pair a-b with c based on a third reference does not meet this requirement.

That approach states that **part** of a claim is obvious, and then it is obvious to combine that **part** with the **rest** of the claim. But that does not show that the claim as-a-whole is obvious.

#### **Response to 101 - Rejection of Claims 9 and 10**

Claims 9 and 10 were rejection under section 101. The rationale given is that they do not "involve" "technological arts."

#### Point 1

No citation of authority has been given in support of the rejection. Appellant requests a citation.

One reason is that section 101 allows patenting of "any new and useful **process**." These claims recite such a process.

Since section 101, taken literally, allows patentability of the claims in question, the PTO must be relying on some court decision which restricts the literal language of section 101. That

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court decision must be identified.

From another perspective, Appellant has shown a prima facie case of compliance with section 101. The PTO must now rebut.

Point 2

The claims in the Hardesty reference would appear to be subject to the same objection, yet Hardesty has been issued. (See Hardesty's claim 1.)

Point 3

Claim 9, at a minimum, involves counting and detecting. Those are perhaps the most basic "technological arts." Further, claim 9 involves a cause-and-effect operation (increasing points under certain circumstances). That is technological. A decision must be made as to whether certain circumstances have occurred.

Point 4


The fact that claim 9 can be carried out manually is not a basis for a 101-rejection.

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**Conclusion**

Appellant requests that the Board reverse all rejections, and pass all claims to issue.

Respectfully submitted,

  
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**9. APPENDIX: Appealed Claims**

1. A method, comprising:

a) at a portal to an enclosure, receiving an identity signal from a transponder;

b) locating an account, based on the identity signal;  
and

c) creating a change in the account, prior to any purchase by a party identified by the identity signal.

2. Method according to claim 1, wherein the transponder is carried by a person.

3. Method according to claim 2, wherein the change in the account is beneficial to the person.

4. Method according to claim 1, wherein the identity signal is invisible to third parties.

5. Method according to claim 2, wherein no social interaction with the person accompanies locating the account.

6. A method, comprising:

a) at a portal to an enclosure, receiving an identity

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signal from a transponder carried by a person; and  
b) issuing an award to a party identified by the identity signal without occurrence of a purchase by the party.

7. Method according to claim 6, wherein the party identified is identical to the person.

8. Method according to claim 6, wherein the award is accompanied by no social interaction with the person at the time the identity signal is received from the transponder.

9. A method, comprising:

- a) maintaining a score of bonus points for a customer;
- b) detecting entry of the customer through a portal; and
- c) in response to the entry, increasing the score.

10. Method according to claim 9, wherein the step of detecting entry is accomplished with no social interaction with the customer.

11. Method, comprising:

- a) at a portal to an enclosure, receiving an identity signal from a transponder associated with a person; and

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b) in response to the identify signal, transmitting a message to a location which is accessible by the person.

12. Method according to claim 11, wherein the message comprises an e-mail message addressed to the person.

13. Method according to claim 11, wherein the message comprises data transmitted to a third party which results in modification of a monetary account of the person.

14. A system, comprising:

- a) means for receiving an identity signal from a transponder at a portal to an enclosure;
- b) means for locating an account, based on the identity signal; and
- c) means for creating a change in the account, in absence of a monetary transaction involving the account.

15. System according to claim 14, wherein the transponder is carried by a person.

16. System according to claim 15, wherein the change in the account is beneficial to the person.



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17. System according to claim 14, wherein the identity signal is invisible to third parties.

18. System according to claim 15, wherein no social interaction with the person accompanies locating the account.

19. A system, comprising:

- a) means for receiving an identity signal from a transponder carried by a person at a portal to an enclosure; and
- b) means for issuing an award to a party identified by the identity signal, in absence of a purchase made by the person.

20. System according to claim 19, wherein the party identified is identical to the person.

21. System according to claim 19, wherein the award is accompanied by no social interaction with the person at the time the identity signal is received from the transponder.

22. A system, comprising:

- a) means for maintaining a score of bonus points for a customer;

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- b) means for detecting entry of the customer through a portal; and
- c) means for increasing the score, in response to the entry.

23. System according to claim 22, wherein the step of detecting entry is accomplished with no social interaction with the customer.

24. A system, comprising:

- a) means for receiving an identity signal from a transponder associated with a person at a portal to an enclosure; and
- b) means for transmitting a message, in response to the identity signal, to a location which is accessible by the person.

25. System according to claim 24, wherein the message comprises an e-mail message addressed to the person.

26. System according to claim 24, wherein the message comprises data transmitted to a third party which results in modification of a monetary account of the person.

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27. Method according to claim 9, wherein the process of detecting entry comprises using a non-contact detector which detects a transponder carried by the customer.

28. Method according to claim 9, wherein increasing the score is done without detecting a purchase by the customer.

29. Method according to claim 11, wherein the message is transmitted without detecting a purchase.

30. Method according to claim 19, wherein the means for issuing issues the award without detecting a purchase by the person.

31. A method, comprising:

- a) maintaining an account of bonus points allocated to a person;
- b) using a non-contact system to detect entry of the person to a mercantile establishment;
- c) increasing bonus points in the account, based on the detected entry, and without regard to purchases made by the person.